

## COMPETITION COMMISSION OF INDIA

28<sup>th</sup> December, 2011

Combination Registration No. C-2011/12/11

### Order under section 31(1) of the Competition Act, 2002

1. On 1<sup>st</sup> December, 2011, the Competition Commission of India (hereinafter referred to as "**Commission**"), received a notice jointly filed by Akzo Nobel India Limited (hereinafter referred to as "**AN India**"), Akzo Nobel Chemicals (India) Limited (hereinafter referred to as "**AN Chemicals**"), Akzo Nobel Coatings India Private Limited (hereinafter referred to as "**AN Coatings**"), and Akzo Nobel Car Refinishes India Private Limited (hereinafter referred to as "**AN Car**") under sub-section (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as "**Act**").
2. The notice was filed pursuant to the resolutions passed by Board of Directors of AN India, AN Chemicals, AN Coatings and AN Car approving the amalgamation of AN Chemicals, AN Coatings and AN Car into AN India.
3. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (hereinafter referred to as "**Combination Regulations**"), on 8<sup>th</sup> December, 2011, the parties were required to provide certain information and document(s), which was furnished by the parties on 13<sup>th</sup> December, 2011.
4. The proposed combination relates to the amalgamation of AN Chemicals, AN Coatings and AN Car into AN India under the provision of sections 391 to 394 of the Companies Act, 1956.
5. The proposed combination falls under clause (c) of Section 5 of the Act.
6. AN India was incorporated on 12<sup>th</sup> March, 1954, under the Companies Act, 1913, as part of the United Kingdom based Imperial Chemical Industries Ltd. ("**ICI Group**"). In 2008, Akzo Nobel N.V., Netherlands (hereinafter referred to as "**AN Group**") acquired the entire business of ICI Group, pursuant to which the name of ICI India Limited was changed to Akzo Nobel India Limited. AN India is listed on BSE & NSE. 56.40 per cent shares of AN India are held by Imperial Chemical Industries Limited, United Kingdom which is a hundred per cent subsidiary of Akzo Nobel N.V., Netherlands. AN India is



engaged in the business of manufacture and sale of decorative paints and refinishes in India.

7. AN Coatings was incorporated on 30<sup>th</sup> May, 1994, under the Companies Act, 1956. AN Coatings is a wholly-owned subsidiary of Akzo Nobel Coatings International B.V., Netherlands, which is a hundred per cent subsidiary of Akzo Nobel N.V., Netherlands. AN Coatings is engaged in the business of manufacturing and supplying of coatings, varnishes and waxes.
8. AN Car was incorporated on 5<sup>th</sup> December, 1997, under the Companies Act, 1956. AN Car is also a wholly-owned subsidiary of Akzo Nobel Coatings International B.V., Netherlands, which, as already stated, is a hundred per cent subsidiary of Akzo Nobel N.V., Netherlands. AN Car is engaged in the business of supplying paints, research & development facility, offering services and solutions for car refinishes and commercial vehicles.
9. AN Chemicals was incorporated on 27<sup>th</sup> August, 1990, under the Companies Act, 1956. 97.64 per cent shares in AN Chemicals are held by Akzo Nobel Chemicals International B.V., Netherlands, which is also a hundred per cent subsidiary of Akzo Nobel N.V., Netherlands. AN Chemicals is engaged in the business of manufacturing and supplying of polymerization initiators, organic and inorganic chemicals.
10. It has been stated in the notice that AN India, AN Chemicals, AN Coatings and AN Car do not produce/provide similar or identical or substitutable products or services except that AN India is producing Polyurethane based car refinishes products and AN Car is mainly producing Nitro Cellulose based car refinishes products. Some Polyurethane based products of AN India and AN Car are catering to the same mid-tier market and that during the financial year 2010-11 AN Car and AN Coatings have purchased INR 0.10 crore and INR 0.20 crore respectively worth of paints from AN India for resale, which constitute less than one per cent of the total sales of AN India.
11. It is observed that as per publicly available information, the market share of AN India, among the major players in the paint & coatings industry in India, is in single digits. Further, it is noted that as AN India, AN Chemicals, AN Coatings and AN Car are part of the AN Group and pursuant to the proposed amalgamation of AN Chemicals, AN Coatings and AN Car with AN India, AN India would continue to be under the control of AN Group, therefore, the proposed combination does not give rise to any adverse competitive concern.



12. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and the assessment of the proposed combination, the Commission is of the opinion that the proposed combination is not likely to have an appreciable adverse effect on competition in India and therefore, the Commission hereby approves the proposed combination under sub-section (1) of Section 31 of the Act.
13. This approval is without prejudice to any other legal/statutory obligations as applicable.
14. This order shall stand revoked if, at any time, the information provided by the parties to the combination is found to be incorrect.
15. The Secretary is directed to communicate to the parties to the combination accordingly.



Certified True Copy

*[Handwritten Signature]*  
28/12/11